

Message Text

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SUBJECT: MULTILATERAL TRADE NEGOTIATIONS (MTN) - COUNTRY
PROFILES ON SELECTED PARTICIPANTS

SUMMARY. PART ONE OF THIS CABLE IS THE RESPONSE TO REFTEL (SECTION 3), WHICH ASKED FOR STATEMENT IDENTIFYING TURKEY'S BASIC
POLITICAL AND ECONOMIC REALITIES THAT UNDERLIE AND PROVIDE AND PROVIDE

RATIONALE FOR ITS APPROACH TO AND POSITIONS TAKEN IN MTN. PART TWO OF
THIS CABLE (RESPONSIVE TO REFTEL SECTION 4) IS A DESCRIPTION OF THE
TRADE AND ECONOMIC POLICIES AND MECHANISMS DESIGNED TO HELP ACHIEVE
THE NATIONAL OBJECTIVES DISCUSSED IN PART ONE. PART THREE OF
THIS CABLE (REFTEL SECTION 5) IDENTIFIES AGENCIES

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AND INDIVIDUALS WITHIN THE GOT INVOLVED IN SETTING TRADE POLICY OBJECTIVES FOR MTN. END SUMMARY.

PART I

1. THERE IS NO COHERENT, WELL-DEFINED TURKISH APPROACH AS YET TO THE UP-COMING MTN IN GENEVA. MUCH OF THE GOT POLICY IN THIS AREA REMAINS AS IT HAS BEEN IN THE PAST, A PRAGMATIC, AD HOC POLICY DETERMINED TO KEEP AS MANY OF TURKEY'S OPTIONS OPEN AS LONG AS POSSIBLE.

2. TURKEY OCCUPIES A POSITION IN WORLD ECONOMIC AND FINANCIAL ORGANIZATIONS SOMEWHERE BETWEEN THE DEVELOPED AND THE LESSER DEVELOPED WORLD. THE COUNTRY IS A MEMBER OF GATT, THE OECD AND UNCTAD, BUT IS NOT A MEMBER OF THE GROUP OF 77. TURKEY IS AN ASSOCIATE MEMBER OF THE EC, BUT IS NOT A BENEFICIARY OF GENERALIZED PREFERENCES GRANTED TO LESS DEVELOPED COUNTRIES BY THE COMMUNITY. FURTHERMORE, TURKEY'S STATUS AS AN ASSOCIATE MEMBER OF THE EC IS MAKING IT DIFFICULT FOR HER TO BECOME A BENEFICIARY OF THE U.S. GENERALIZED SYSTEM OF PREFERENCES.

3. IT APPEARS THAT TURKEY HAS REACHED A POINT IN ITS ECONOMIC DEVELOPMENT WHEN MAJOR DEPARTURES FROM PREVIOUS PRAGMATIC TRADE POLICIES SEEM POSSIBLE. EARLIER TURKISH GOVERNMENTS JOINED GATT, THE OECD AND THE EC FOR POLITICAL REASONS AS MUCH AS FOR ECONOMIC ONES. MUCH AS MEMBERSHIP IN NATO HAD EARLIER, JOINING THESE ORGANIZATIONS WAS SEEN BY THE TURKISH WESTERN-ORIENTED, MODERNIZING ELITE AS IRREVOCABLE STEPS IN THE WESTERNIZING PROCESS BEGUN BY ATATURK. THE WESTERN WORLD WOULD HAVE TO ACCEPT AS AN EQUAL A DEVELOPING, INDUSTRIALIZING TURKEY WHICH WAS A MEMBER OF NATO, OECD, GATT AND AN ASSOCIATE MEMBER OF THE EC.

4. TURKEY'S ASSOCIATE MEMBERSHIP IN EC, THE DESIRE TO OBTAIN GSP FROM THE UNITED STATES, AND THE PRIORITY GIVEN TO RAPID INDUSTRIALIZATION IN PAST AND PRESENT FIVE YEAR PLANS HAVE PLACED CONFLICTING PRESSURES ON THE BUREAUCRACY IN REGARD TO POLICIES UNDERTAKEN IN MULTILATERAL AREAS SUCH AS MTN. THE STATE PLANNING OFFICE, FOR EXAMPLE, CONSIDERS INDUSTRIALIZATION THE "FIRST PRIORITY" FOR TURKEY. THIS MEANS THAT TURKEY MUST EVALUATE INTERNATIONAL RELATIONS AND ASSOCIATIONS IN RESPECT TO THE CONTRIBUTION THESE POLICIES MAKE TO INDUSTRIALIZATION. RAPID INDUSTRIALIZATION, IN TURN, IS NECESSARY
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TO REALIZE LONG-TERM EXPORT TARGETS IN INDUSTRIAL GOODS AND THE NEED TO PREPARE THE COUNTRY'S INDUSTRY FOR FULL-FLEDGED ENTRANCE INTO THE EC BY 1995. BIG INDUSTRY, BOTH STATE AND PRIVATE, ARGUES THAT GOVERNMENT IMPORT POLICIES MUST PROTECT THEIR INFANT INDUSTRY STATUS, WHILE AT THE SAME TIME IT STATES THAT THE GOVERNMENT MUST PROMOTE INVESTMENT POLICIES THAT WILL ESTABLISH AN ECONOMIC BASE OF SUFFICIENT SCALE TO PERMIT TURKISH INDUSTRY ULTIMATELY TO COMPETE WITH THE EC.

5. TURKEY'S ASSOCIATE MEMBERSHIP IN THE EC AND THE GOAL OF FULL MEMBERSHIP BY 1995, ARE COMING UNDER INCREASINGLY CRITICAL SCRUTINY IN ANKARA. TURKEY INITIALLY JOINED THE EC AS MUCH FOR POLITICAL

REASONS AS FOR ECONOMIC ONES. ECONOMIC DISAPPOINTMENTS WITH THE COMMUNITY AND THE POLITICAL TIES TO IT ARE SHOWING THE FIRST SIGNS OF STRESS. TURKEY COMPLAINS THAT SHE HAS BEEN EXCLUDED FROM THE EC POLITICAL DECISION-MAKING MCHANISM AND THE EC SECRETARIAT. FURTHERMORE, THE FREEMOVEMENT OF LABOR WITHIN THE EC BEGINNING IN 1976 WAS SEEN BY TURKEY AS A MAJOR BENEFIT FROM ASSOCIATE MEMBER STATUS WHICH WOULD PERMIT LARGE NUMBERS OF TURKISH WORKERS TO REMAIN IN EUROPE AND WOULD KEEP REMITTANCES OF FOREIGN EXCHANGE HGH. THE CONVERGENCE OF RECESSION IN EUROPE, RETURN OF INCREASING NUMBERS OF WORKERS AND A SLOW BUT STEADY DECLINE IN REMITTANCES TOGETHER WITH EC MOVES TO QUALIFY AND LIMIT FREE MOVEMENT OF LABOR HAVE CAUSED ADDITIONAL SOUL-SEARCHING IN TURKEY, PARTICULARLY WITHIN THE UPPER LEVELS OF THE FOREIGN MINISTRY AND OTHER MINISTRIES WHICH HAVE ALWAYS SUPPORTED EC MEMBERSHIP FOR TURKEY.

6. RECENT EC MOVES TO ENLARGE THE COMMUNITY, PARTICULARLY THE PREFERENTIAL STATUS GIVEN TO THE MAHGRAB COUNTRIES AND THE COUNTRIES SIGNING THE LOME ACCORD HAVE HAD THE EFFECT OF DILUTING BENEFITS TURKEY FELT SHE WOULD OBTAIN FROM ASSOCIATE AND ULTIMATE FULL MEMBERSHIP IN THE EC. THIS POINT OF VIEW IS WIDESPREAD IN SUCH GOT AGENCIES AS THE STATE PLANNING OFFICE WHICH HAS STATED THAT "THESE RECENT DEVELOPMENTS HAVE CAUSED TURKEY TO LOSE ALL OF HER ADVANTAGEOUS POSITON," AND TO WARN THAT "MTN AND GSP WILL NOT MAKE THIS SITUATION BETTER."

7. TURKEY HAS ALSO APPLIED FOR GSP, POINTING OUT THAT ITS AGREEMENT WITH EC IS LEGAL UNDER GATT, AND THAT THE U.S. HAD ENCOURAGED TURKEY TO ENTER INTO THE AGREEMENT KNOWING THAT A FULL CUSTOMS UNION IS INTENDED. IN ADDITION, THE TURKS POINT OUT THAT JUST BECAUSE THEY LIMITED OFFICIAL USE
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ARE MEMBERS OF OECD, NATO AND AN ASSOCIATE MEMBER OF EC DOES NOT CHANGE THE FACT THAT FROM ANY OBJECTIVE SOCIAL AND ECONOMIC CRITERIA TURKEY IS A DEVELOPING COUNTRY. THE TURKS CONSEQUENTLY EARLIER FOUND IT DIFFICULT TOBELIEVE THAT THEY MIGHT NOT BE ELIGIBLE FOR GSP STATUS FROM THE U.S. THEY APPEAR, HOWEVER TO REALIZE NOW THAT

THESE ARGUMENTS ARE NOT SUFFICIENT TO SATISFY CONDITIONS LAID DOWN IN THE 1974 TRADE ACT ON GSP AND ARE APPROACHING THE PROBLEM MORE REALISTICALLY BY FOCUSING ON THE NEED TO SHOW THAT TURKISH MEMBERSHIP IN THE EC WILL NOT HAVE NOR IS IT LIKELY TO HAVE AN ADVERSE EFFECT ON U.S. IMPORTS.

8. THEREFORE, TURKEY'S MAIN TRADE OBJECTIVES, ILL-DEFINED THOUGH

THEY APPEAR TO BE, CANNOT BE OBTAINED SOLEY THROUGH MTN. MTN WILL NOT GIVE THEM SATISFACTION ON OBJECTIVES SUCH AS BIGGER COTTON TEXTILE QUOTAS FROM THE U.S. AND INCLUSION IN U.S. AND OTHER COUNT-RIES GENERALIZED SYSTEM OF PREFERENCES. IN ADDITION, TURKEY'S ASSOCIATE MEMBERSHIP IN THE EC AND HER DESIRE TO RENEGOTIATE CERTAIN ASPECTS OF THIS AGREEMENT, MAKES THE TURKS

UNCERTAIN THAT THEY WILL GET THE FULL BENEFITS THAT MAY BE
EXTENDED TO LDCE BY THE EC IN MTN NEGOTIATIONS. THEY
ALSO REMAIN CONCERNED THAT EC CONCESSIONS IN MTN
NEGOTIATION MIGHT DILUTE THE VALUE OF THEIR ASSOCIATION ARRANGE-
MENT WITH THE EC. IT IS ALSO DOUBTFUL WHETHER MTN WILL BE
ABLE TO MEET THE TEST OF THE STATE PLANNING OFFICE AND THE MINISTRY
OF COMMERCE THAT MTN AND GSP ARE REALLY IMPORTANT TO TURKEY
ECONOMICALLY ONLY INsofar AS THEY CONTRIBUTE DIRECTLY TO INDUSTRIALI-
ZATION AND THE ALL IMPORTANT GOAL OF THE PRESENT FIVE YEAR
PLAN OF EXPANDING TURKEY'S INDUSTRIAL EXPORTS FROM 25 PERCENT
OF TOTAL EXPORTS IN 1972 TO 42 PERCENT OF TOTAL EXPORTS IN 1977.

PART TWO

1. THE TURKISH TRADE REGIME IS REGULATED BY A COMPLEX SYSTEM OF
TARIFF AND NON-TARIFF BARRIERS CHARACTERIZED BY BOTH EXPORT AND
IMPORT RESTRICTIONS. THESE BARRIERS, WHICH INCLUDE RELATIVELY HIGH
TARIFFS, EXTENSIVE GOVERNMENT PARTICIPATION IN TRADE, SPECIAL IMPORT
DOCUMENTATION, IMPORT LICENSING, QUOTAS, IMPORT PREDEPOSITS, AND
VARIOUS TAXES AND CHARGES AFFECTING IMPORTS, ARE INTENDED TO LIMIT
IMPORTS IN GENERAL RATHER THAN IMPORTS FROM PARTICULAR SOURCES.

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WHILE THE PRINCIPAL REASON FOR MAINTAINING THIS VAST ARRAY OF IMPORT
RESTRICTIVE MEASURES IS TURKEY'S CHRONIC BALANCE-OF-PAYMENTS
PROBLEM, THE GOVT ALSO MAKES EXTENSIVE USE OF THE TRADE REGIME IN
STIMULATING INVESTMENT IN BOTH IMPORT SUBSTITUTION AND EXPORT
PROMOTION INDUSTRIES.

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2. THE GOT USES TAX AND TARIFF EXEMPTIONS AND CONCESSIONS AS INDUSTRIAL INCENTIVES TO STIMULATE INDUSTRIAL DEVELOPMENT WITHIN THE PRIORITIES SET BY THE FIVE YEAR PLANS AND OVER THE LONG RUN TO MAKE TURKISH INDUSTRY MORE COMPETITIVE IN THE FRAMEWORK OF EVENTUAL FULL EC MEMBERSHIP. INDUSTRIAL INVESTMENTS IN SECTORS DEFINED AS PRIORITY BY THE FIVE YEAR PLAN AND ANNUAL PROGRAMS RECEIVE AN EXEMPTION OF UP TO 100 PERCENT IN CUSTOMS DUTIES FOR INVESTMENT GOODS AND MAY RECEIVE FULL EXEMPTION OF CUSTOMS PAYMENTS FOR RAW MATERIALS. IN OTHER INSTANCES, THERE IS A DEFERMENT OF PAYMENT OF IMPORT DUTIES OF UP TO FIVE YEARS. WHILE THE GOVERNMENT HAS NOT FULLY ANALYZED THE EFFECTIVENESS AND COST OF CUSTOMS EXEMPTIONS

IN PROMOTING INDUSTRIAL INVESTMENTS, SOME PRELIMINARY FIGURES ARE AVAILABLE. IT WAS ESTIMATED IN 1972 (LATEST YEAR FOR WHICH COMPLETE LIMITED OFFICIAL USE
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FIGURES ARE AVAILABLE) FOR EXAMPLE, THAT THE COST OF TOTAL INDUSTRIAL INVESTMENT INCENTIVES WAS BETWEEN \$400-\$500 MILLION, WITH CUSTOMS EXEMPTIONS ACCOUNTING FOR 54 PERCENT OF TOTAL INVESTMENT BENEFITS. TOTAL GOVERNMENT REVENUES FROM ALL KINDS OF IMPORT AND CUSTOMS DUTIES, ON THE OTHER HAND, WERE APPROXIMATELY \$700 MILLION ON 1972 (SLIGHTLY MORE THAN 20 PERCENT OF ALL TAX REVENUES FOR THAT YEAR).

3. THE TURKISH SYSTEM OF IMPORT ALLOCATIONS WHILE PRIMARILY SHAPED BY SHORTAGES OF FOREIGN EXCHANGE, HAS ALSO BEEN RESPONSIVE TO GOVERNMENT EFFORTS TO PROTECT AND PROMOTE INDUSTRIAL INVESTMENT, PARTICULARLY IN INTERMEDIATE AND CONSUMER GOODS. THE OVERWHELMING BULK OF IMPORTS ARE RAW MATERIALS AND INVESTMENT GOODS WHILE CONSUMER IMPORTS HAVE FALLEN FROM 20 PERCENT IN 1950 TO 4.3 PERCENT OF TOTAL IMPORTS IN 1972. CONSUMER IMPORTS HAVE RISEN SLIGHTLY DURING THE PAST TWO YEARS AND ARE NOW ABOUT 10 PERCENT OF TOTAL IMPORTS.

4. WITH THE IMPROVED BALANCE OF PAYMENTS SITUATION IN 1973 AND 1974, THE IMPORT REGIME HAS BEEN SOMEWHAT LIBERALIZED. IMPORTS OF ITEMS ON THE "FREE LIST," FOR EXAMPLE, ROSE FROM 45 PERCENT IN 1972 TO 65 PERCENT IN 1974 AND ARE PROGRAMMED TO INCREASE TO 72 PERCENT IN 1975. DURING 1974 AND 1975 THERE WAS ALSO A SLIGHT RISE IN CONSUMER IMPORTS, PRIMARILY TO CURB INFLATION AND DOMESTIC SHORTAGES IN FOODSTUFFS SUCH AS SUGAR, BUTTER AND MARGARINE (WHICH FOR MOST PART ARE SOLD AT RETAIL BELOW COST). WHILE THERE IS SOME

SUGGESTION THAT FURTHER IMPORT LIBERALIZATION IS NEEDED IN THE SHORT RUN TO COUNTER INFLATIONS AND IN THE LONG RUN TO ALIGN DOMESTIC PRODUCTION COSTS WITH THE EC, THE PREVAILING MOOD IS MORE CAUTIOUS. THE GOVERNMENT GENERALLY ADHERES TO THE HIGHLY PROTECTIONIST POLICY OF NOT PERMITTING IMPORTS OF ANY PRODUCT PRODUCED IN TURKEY. UNFORTUNATELY, IN 1975 THE CONVERGENCE OF RISING IMPORTS, UP 48 PERCENT IN FIRST SEVEN MONTHS TO \$2,834 MILLION, AND FALLING EXPORTS, DOWN 22.6 PERCENT TO \$737 MILLION FOR THE SAME PERIOD, HAS NOT STRENGTHENED THE HAND OF THE PROPONENTS OF TRADE LIBERALIZATION.

5. GOVERNMENT PROGRAMS LIMITING IMPORTS AND PROMOTING EXPORTS ARE A PERVASIVE PART OF ECONOMIC LIFE IN TURKEY. EACH YEAR IN JANUARY AN IMPORT REGIME IN THE FORM OF A GOVERNMENT DECREE IS PUBLISHED IN THE OFFICIAL GAZETTE. IN GENERAL, IMPORTS OF GOODS ARE ONLY ALLOWED IF THEY APPEAR ON THE DECREE LIST.
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TWO PRINCIPAL CATEGORIES OF IMPORTS EXIST: (A) THE SO-CALLED "FREE" LISTS ONE AND TWO, AND (B) "QUOTA" LISTS. QUOTA LEVELS ARE BASED ON PREVIOUSLY DETERMINED IMPORT REQUIREMENTS OF THE TURKISH ECONOMY TO IMPLEMENT THE ANNUAL PROGRAMS OF THE FIVE YEAR DEVELOPMENT PLAN AS DECIDED UPON BY THE MINISTRY OF FINANCE, THE CENTRAL BANK, SPO, OTHER GOVERNMENT AGENCIES, AND THE UNION OF CHAMBERS OF COMMERCE, INDUSTRY AND COMMODITY EXCHANGES. WHILE THE MINISTRY OF COMMERCE ACTUALLY PREPARES AND ADMINISTERS THE IMPORT PROGRAM, ALL AUTHORIZED IMPORTS ALSO REQUIRE A LICENSE FROM THE CENTRAL BANK. IMPORT LICENSES ARE AVAILABLE TO THE EXTENT THE CURRENT IMPORT REGIME AND FOREIGN EXCHANGE AVAILABILITY PERMITS. PROGRAMMED IMPORTS FOR 1974 WERE \$1,250 MILLION (FREE LIST), \$650 MILLION (QUOTA), \$100 MILLION (BILATERAL) AND \$550 MILLION (OTHER) FOR A TOTAL OF \$2,550 MILLION. ACTUAL IMPORTS FOR 1974 WERE \$3,778 MILLION WITH \$2,524 MILLION ON FREE LIST, \$697 MILLION ON QUOTA LIST AND \$222 MILLION IN BILATERAL AGREEMENTS.

6. THE STATE PLANNING ORGANIZATION IN EFFECT REGULATES IMPORTS IN THE PROMOTION OF INVESTMENT IN IMPORT SUBSTITUTION AND EXPORT ORIENTED INDUSTRIES. OTHER MEASURES TO PROMOTE EXPORTS ARE THE FOLLOWING: THE CENTRAL BANK HAS SPECIAL, LOWER REDISCOUNT RATES FOR EXPORTERS' BILLS AND SPECIAL FUNDS ARE SET ASIDE TO FINANCE EXPORTS AND PROMOTE INVESTMENTS IN EXPORT-ORIENTED INDUSTRY. ALSO, APPLICATION FOR FOREIGN PRIVATE INVESTMENT IS GIVEN PRIORITY IF IT IS EXPORT-ORIENTED AND TAX REBATES OF 10-25 PERCENT ARE GIVEN TO MANY KINDS OF EXPORTS.

7. THE GOVERNMENT AND STATE-OWNED ENTERPRISES TRADITIONALLY ACCOUNT FOR OVER ONE HALF OF TURKISH IMPORTS AND A SUBSTANTIAL MAJORITY OF CAPITAL GOODS IMPORTS. AGRICULTURAL ITEMS GENERALLY FALL UNDER RAW MATERIALS OR CONSUMER GOODS AND ARE VIRTUALLY ALL IMPORTED BY GOVERNMENT AGENCIES. TENDER BY SEALED BID

IS THE NORMAL PROCEDURE USED IN GOVERNMENT PROCUREMENT OF ANY SIZE.

8. REGIONAL AND BILATERAL DIMENSIONS OF TRADE POLICY ARE THREE-FOLD. THE MOST IMPORTANT OF THESE IS OF COURSE THE EC AND TURKEY'S ASPIRATIONS TO ULTIMATE FULL MEMBERSHIP. THERE ARE ALSO EXISTING BILATERAL TRADE AGREEMENTS WITH BLOC COUNTRIES AMOUNTING TO AROUND \$200 MILLION ANNUALLY IN IMPORTS AND A LIMITED OFFICIAL USE
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SIMILAR FIGURE FOR EXPORTS. TURKEY'S BILATERAL TRADE AGREEMENTS DO NOT APPEAR TO SIGNIFICANTLY IMPAIR TRADE WITH THIRD COUNTRIES. TURKEY IS ALSO A MEMBER WITH PAKISTAN AND IRAN IN REGIONAL COOPERATION AND DEVELOPMENT(RCD). ALTHOUGH INCREASED INDUSTRIAL COORDINATION AND PARTIAL CUSTOMS UNION AIMED AT INCREASING INTER-REGIONAL TRADE HAVE LONG BEEN AIMS OF THE RCD, THE ORGANIZATION IN AN ECONOMIC SENSE IS BASICALLY MORIBUND AND THERE IS LITTLE LIKELIHOOD OF IT HAVING ANY SIZABLE IMPACT ON TURKEY POLICIES IN MTN.

9. THE RISE OF OPEC AND DISAPPOINTMENT WITH EC HAVE, HOWEVER, CAUSED TURKEY TO TAKE A NEW LOOK AT THE OIL-RICH AND OTHER COUNTRIES TO HER EAST AND SOUTH. TURKEY HAS SIGNED LONG-TERM OIL PROCUREMENT AGREEMENTS WITH LIBYA AND IRAQ AND IS CURRENTLY NEGOTIATING WITH BOTH IRAN AND LIBYA FOR LONG-TERM AGREEMENTS MUTUALLY BENEFICIAL TO ALL SIDES. TURKEY'S GOALS HERE ARE STABLE ENERGY SUPPLIES, MARKETS FOR EXPORT INDUSTRIES AND CREDITS AND LOANS FOR VARIOUS PROJECTS. SOME POLITICIANS AND THE PRESS FREQUENTLY COMPLAIN THAT TURKEY'S TIES WITH THE EC HAVE A NEGATIVE EFFECT ON AGREEMENTS WHICH MIGHT BE REACHED WITH IRAN, IRAQ OR LIBYA. TURKEY IS SLOWLY BUT SURELY MAKING AN EFFORT TO INCREASE TRADE IN THE MUSLIM WORLD AND WITH THE BLOC.

10. PRIOR TO 1973, TURKEY HAD A MULTIPLE EXCHANGE RATE SYSTEM WITH DIFFERENT RATES FOR SPECIFIC IMPORT AND EXPORT TRANSACTIONS. TURKEY HAS SINCE ABANDONED THE MULTIPLE EXCHANGE RATE SYSTEM. ALTHOUGH THE LIRA HAS MOVED FROM AN OFFICIAL RATE OF \$1-14 TL ON DECEMBER 22, 1971 TO AS HIGH AS \$1-13.50 TL ON MAY 14, 1974, TO \$1-14.75 TL ON AUGUST 28, 1975, THE CENTRAL BANK BUYING PRICE OFR THE DOLLAR USED IN FOREIGN TRADE IS THE SAME AS THE OFFICIAL RATE, WHILE THE CENTRAL BANK SELLING PRICE FOR DOLLARS USED IN FOREIGN EXCHANGE IS ONLY TWO PERCENT MORE THAN THE OFFICIAL RATE.

PART THREE

1. KEY AGENCIES INVOLVED IN THE SETTING OF MULTILATERAL TRADE POLICY FOR TURKEY ARE THE MINISTRIES OF FOREIGN AFFAIRS, COMMERCE, FINANCE, INDUSTRY, CUSTOMS, MONOPOLIES, AND THE STATE PLANNING ORGANIZATION WITH SOME INPUT BY THE MINISTRIES OF AGRICULTURE AND ENERGY AND NATURAL RESOURCES. NORMALLY TRADE ISSUES THAT ARE CONSIDERED

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PRIMARILY ECONOMIC IN NATURE (IMPORT AND EXPORT REGIME) WOULD BE HANDLED BY THE MINISTRY OF COMMERCE, CLEARED AT THE WORKING LEVEL IN OTHER INTERESTED MINISTRIES, THEN TRANSFERRED TO THE HIGH PLANNING COUNCIL AND COUNCIL OF MINISTERS FOR FINAL DECISIONS. SINCE MTN ISSUES HAVE IMPORTANT INTERNATIONAL AND POLITICAL COMPONENTS, HOWEVER, THESE ARE PCMARILY STAFFED OUT AT THE WORKING LEVEL IN FOREIGN AFFAIRS IN CONJUNCTIONWITH COMMERCE.

2. RELATIVE INFLUENCES BY MINISTRIES RISE AND FALL DEPENDING ON POLICITS, KEY PERSONALITIES INVOLVED, AND NATURE OF ISSUES. FINANCE, MFA, AND COMMERCE MINISTRIES APPEAR TO HAVE MORE INFLUENCE ON ECONOMIC DECISION-MAKING AT PRESENT THAN DOES SPO OR INDUSTRY.

3. KEY PERSONALITIES ARE MINISTERS AND UNDERSECRETARIES OF MINISTRIES MENTIONED ABOVE. ON EXPERT LEVEL, THEY INCLUDE ASAF GUVEN, ACTING SECRETARY GENERAL, TREASURY; RESAT ERKMEN, SECRETARY GENERAL , COMMERCE BEHIC HAZAR, DIRECTOR BILATERAL ECONOMIC RELATIONS, MFA; VOLKAN VURAL, CHIEF , UN ECONOMIC ORGANIZATION'S DEPT., MFA (YOUNG DIPLOMAT WHO APPEARS TO BE FOREMOST TURKISH EXPERT ON MTN, GATT AND GSP); ISMET BIRSEL, CHEIF EC ECONOMIC AFFAIRS, MFA; MACIT VARLIK, DIRECTOR GENERAL, CLEARINGS DEPT., MIN. COMMERCE; ; OZER CINAR, DIRECTOR GENERAL EC DEPARTMENT, MIN. COMMERCE; AND STATE PLANNING ORGANIZATION OFFICIALS, PKMET CETIN, DIRECTOR, ECONOMIC PLANNING DIVISION AND MRS. BIRGEN KELES, EXPERT, ECONOMIC PLANNING DIVISION. MACOMBER

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